

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

Caption in compliance with D.N.J. LBR 9004-1(b)

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In re:

HANJIN SHIPPING CO., LTD.,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 16-27041 (JKS)

Honorable John K. Sherwood

Hearing Date: Sept. 9, 2016 @ 10 a.m.

**RESPONSE AND RESERVATION OF RIGHTS OF UNION PACIFIC RAILROAD
COMPANY TO THE MOTION OF FOREIGN REPRESENTATIVE FOR ENTRY OF
PROVISIONAL AND FINAL ORDERS GRANTING RECOGNITION OF FOREIGN
MAIN PROCEEDING AND CERTAIN RELATED RELIEF**

Union Pacific Railroad Company (“Union Pacific”), by and through its undersigned counsel, hereby submits this response and reservation of rights (the “Response and Reservation

of Rights") to the relief requested in the Motion of Foreign Representative for Entry of Provisional and Final Orders Granting Recognition of Foreign Main Proceeding and Certain Related Relief Pursuant to Sections 362, 365, 1517, 1519, 1520, 1521, and 105(A) of the Bankruptcy Code [Docket No. 5] (the "Motion") filed in the above-captioned chapter 15 case by Hanjin Shipping Co., Ltd. ("Hanjin" or the "Debtor"), and respectfully states as follows:

RESPONSE AND RESERVATION OF RIGHTS

1. In exchange for certain fees and rates, Union Pacific provides services to Hanjin consisting of inland railroad transportation in portions of the United States of Hanjin imports and exports as well as some domestic transportation of Hanjin containers. Union Pacific interchanges Hanjin containers with third parties, including ports, port operators, other railroads, and trucks. In connection with the services provided to Hanjin, Union Pacific holds certain liens against Hanjin for unpaid fees and rates.

2. Union Pacific looks forward to working cooperatively and expeditiously with Hanjin and all affected cargo owners and other interested parties in resolving the concerns of the affected stakeholders, and understands that Hanjin has commenced discussions with certain interested parties.¹ However, there is limited time available to address the complex and intertwined issues of numerous parties in interest in this case by the hearing on Friday, September 9, 2016, in which the Debtor will seek approval of a final provisional order (the "Final Provisional Order") relating to the Motion and the representations and rulings made at the hearing held on Tuesday, September 6, 2016 (the "Initial Hearing"). Therefore, out of an

¹ As of the date of the filing of this Response and Reservation of Rights, a request has been made upon Debtor's counsel for a copy of the draft "Protocol" which, upon information and belief, is being prepared by the Debtor for presentation at the hearing to consider the Final Provisional Order. Union Pacific reserves any and all rights and remedies with respect to any "Protocol" which may be presented to the Court.

abundance of caution, Union Pacific files this Response and Reservation of Rights to reserve its rights and interests relating to the Debtor and the Motion.

3. Union Pacific does not oppose the provisional relief requested to protect the Debtor from enforcement or termination actions, but Union Pacific, as stated at the Initial Hearing, seeks to ensure that any Final Provisional Order that is entered will be consistent with the Court's rulings at the Initial Hearing and will reserve and preserve all of Union Pacific's rights and interests relating to the Debtor, including, but not limited to (a) its rights under all carrier and other liens, including the possession of containers for purposes of creating such liens and maintaining perfection thereof under applicable law and, specifically, the creation, perfection or maintenance of possessory liens (including carrier liens) that occurs by operation of law must be expressly carved out from any Final Provisional Order enjoining the taking or continuing of any act to create, perfect, or enforce a lien (*see* Interim Provisional Order ¶ 4(c) [Docket No. 22]), (b) its rights under any contracts, agreements, terms and conditions, invoices, rates, rules, credit arrangements, tariffs, or bills of lading, applicable law and the Bankruptcy Code (including, without limitation, any rights to adequate or sufficient protection and adequate assurance of payment), subject to the application (and exceptions) of section 362 and 365(e) implemented through the Final Provisional Order, and (c) its right to release containers owned or leased by the Debtor and the contents therein to third parties, and receive payment from such third parties, as long as (i) all applicable freight, fees, and/or other charges owed to Union Pacific are indefeasibly paid in full in cash and (ii) Union Pacific shall have obtained the prior consent of the Foreign Representative or its designee, which consent shall constitute a release by the Foreign Representative on behalf of the Debtor of Union Pacific from any liability, including disgorgement, relating to the release of such containers.

4. Union Pacific further reserves the right to (a) amend or supplement this Response and Reservation of Rights and otherwise take any additional or further action with respect to any Final Provisional Order that is entered by the Court or any other relief that is sought in this chapter 15 case, (b) be heard before the Court with respect to the Final Provisional Order on any additional argument, response or objection in connection therewith.

CONCLUSION

Union Pacific respectfully requests that if the Court grants the Motion, that the Final Provisional Order contain the reservations discussed herein, and that the Court grant such further relief as may be just and proper.

Dated: September 8, 2016
Newark, New Jersey

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